

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice LP-1762

For: State and County Offices

Authorizing LDP Payments on Contract Commodities From Noncontract Farms

Approved by: Deputy Administrator, Farm Programs



1 Overview

A

Background

Notices LP-1744, 1746, and 1749 provided State and County Offices with instructions and information about LDP's for contract commodities produced on farms with no PFC contract.

Regulations in 7 CFR part 1421 were filed for public inspection at the Office of Federal Register on Friday, October 27, 2000.

B

Purpose

This notice provides State and County Offices:

- authorization to make LDP's for contract commodities produced on farms with no PFC contract
- notification of the 30 calendar day period after the regulation is filed for publication, for LDP eligibility when beneficial interest is lost for contract commodities grown on farms with no PFC contract
- instructions for determining the LDP rate.

Disposal Date

October 1, 2001

Distribution

State Offices; State Offices relay to County Offices

2 LDP Payments and Requests

A

Issuing LDP's

Payments are now authorized for all LDP's requested for contract commodities produced on a farm with no PFC.

B

Beneficial Interest Exemption Dates

Producers are eligible for a beneficial interest exemption on contract commodities produced on farms with no PFC if the commodity was **harvested and marketed** from the date of harvest through November 29, 2000.

This beneficial interest exception is **not** applicable to a producer who produced contract commodities on a farm with:

- PFC
- no PFC and the producer:
 - harvested but **did not** market the commodity **on or before** November 29, 2000
 - harvests and markets the commodity **after** November 29, 2000.

For producers who are eligible for an LDP according to this notice and have reached the \$75,000 payment limitation:

- **do not** issue the LDP
- keep the LDP request in the pending file until further notice.

Note: An LP notice is forthcoming on the increase in payment limitation and additional beneficial interest provisions.

Continued on the next page

2 LDP Payments and Requests (Continued)

C

LDP Rate

The LDP rate applicable to LDP requests for contract commodities produced on a farm with no PFC will vary based on when the producer:

- requested LDP
- harvested and marketed the commodity.

For commodities harvested and marketed before November 29, 2000, and the producer requests LDP:

- after beneficial interest is lost, use the LDP rate according to Notice LP-1746, subparagraph 2 H
- before beneficial interest is lost, use the higher of the LDP rate in effect on the date:
 - of request according to 8-LP
 - the commodity was marketed according to Notice LP-1746, subparagraph 2 H.

Use the LDP rate according to 8-LP for LDP's requested **before** beneficial interest is lost for commodities harvested:

- **before** November 29, 2000, and marketed **after** November 29, 2000
- **and** marketed **after** November 29, 2000.

Producers are **not** eligible for LDP if the LDP is requested **after** beneficial interest is lost for commodities harvested:

- **before** November 29, 2000, and marketed **after** November 29, 2000
 - **and** marketed **after** November 29, 2000.
-

3 Action

A County Office Action

County Offices shall:

- wait for the software release that modifies the option for this type of LDP

Note: The software is scheduled for release the week of November 6, 2000, and will be included in Release Number 446.

- issue LDP's that were placed in a pending file according to Notices LP-1744 and LP-1749
- Use the applicable LDP rate according to this notice and Notice LP-1746, subparagraph 2 H
- pay prompt payment interest for any pending request that is not made by December 29, 2000.

Note: Manual LDP's may be issued, as applicable. Manual LDP transactions can be recorded through APSS after receipt of Release Number 446.

For any LDP's issued before the receipt of this notice, County Offices must cancel LDP through APSS using the corrections software and re-record LDP using the modified software option.

Note: No refund from the producer is required.
